



Don Nickles, Chairman
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FY05 BUDGET RESOLUTION...SECURITY, OPPORTUNITY, RESPONSIBILITY

Fiscal Discipline

Spending trends cannot continue if Congress is to eliminate red ink...

In a January Congressional Budget Office Report outlining budget options, the unavoidable danger sign was about spending. If Congress continues allowing spending to grow excessively (discretionary spending has grown 6.9 percent annually on average the past five years) the 10-year deficit will be two and a half times larger (\$4.57 trillion up from \$1.89 trillion).

Federal Reserve Chairman Alan Greenspan agrees...

When asked during a February hearing of the House Budget Committee how much he would cut in terms of discretionary spending to help lower the deficit, Greenspan responded, "I would cut as much as feasible, largely because the longer-term fiscal outlook is assured if we resolve most, if not all, of the problem on the outlay side."

THEREFORE OUR BUDGET FOCUSES ON FISCAL DISCIPLINE AND SPENDING RESTRAINT BY...

Cutting the deficit in half in three years...

Deficits are projected to fall from \$477 billion in FY 2004 to \$223 billion in FY 2007, and continue to fall throughout the five-year budget window to \$202 billion in FY 2009. As a percentage of the overall economy, the deficit falls from 4.2 percent in FY 2004 to 2.0 percent by FY 2006. By FY 2009, deficits would represent just 1.4 percent of GDP.

Building on a history of slowed spending growth by holding growth in non-defense, non-homeland security spending to less than 1 percent...

In the 2001 budget, the last before President Bush took office, spending outside of defense and homeland security grew by nearly 15 percent. The President and Congress have cut spending growth in this area to 6 percent in FY 2002, 5 percent in FY 2003 and 3 percent in FY 2004. Our budget continues that pattern of fiscal discipline by this year holding non-defense, non-homeland security spending growth to less than 1 percent, forcing government bureaucracy to trim the fat.

(More)

Requiring Congress to crack down on waste, fraud and abuse...

Federal coffers provide a tempting target for fraud and abuse. Our budget instructs the Senate to attack waste, fraud and abuse in mandatory spending programs, and provides a modest savings target of \$3.4 billion.

Maintaining budget enforcement tools to protect against unbudgeted spending...

Last year, Senate Republicans used budget enforcement tools to stand firm for fiscal discipline against 59 budget-busting amendments, saving taxpayers a combined \$804.5 billion over 10 years in discretionary spending alone. These budget tools are again included in the FY 2005 budget and will provide added protection against unchecked spending in the coming year.